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BULLETIN

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Subject: WAR EXCLUSIONS IN LIFE AND DISABILITY FILINGS

Some recent life and disability insurance filings contain war exclusions which are apparently responses to the war in the Persian Gulf. Some of these exclude coverage for non-military personnel in cases of "acts of terrorism." Others attempt to dilute the statutory language of Title 48 RCW by excluding coverage for deaths of non-military personnel caused "wholly or partially" or "directly or indirectly" by war, declared or undeclared, or by acts of war.

War exclusions are governed by the following statutes or regulations: individual life insurance policies, RCW 48.23.260(1)(a); group life insurance policies, RCW 48.24.210(1)(a); individual disability policies, WAC 284-50-320(6); medicare supplement insurance, WAC 284-66-050(3)(c)(i); and long-term care insurance, WAC 284-54-050(1). Insurers should thoroughly familiarize themselves with these citations.

Like any exclusion from coverage, the war exclusion is to be narrowly applied. Language not found in the statutes or rules, and which broadens the exclusion, will not be permitted. War exclusions in new life or disability filings must conform to the applicable statutes or rules, or the filings will be disapproved. Previously granted approval of earlier filings will be withdrawn for the same reason.

In addition, no insurer may unilaterally and retroactively add a war exclusion, for example by sending the insured a rider or other document which purports to add a war exclusion to a policy originally issued without one.

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